

BuzzFeed, Inc. (Investor Day)

May 11, 2023

Corporate Speakers:

- Amita Tomkoria; BuzzFeed, Inc.; SVP of IR
- Jonah Peretti; BuzzFeed, Inc.; Founder, Chairman & CEO
- Marcela Martin; BuzzFeed, Inc.; President
- Jess Probus; BuzzFeed, Inc.; General Manager
- Donnie Kwak; Complex; General Manager
- Hannah Bricker; BuzzFeed, Inc.; General Manager, Tasty & Lifestyle
- Christopher Schonberger; BuzzFeed, Inc.; General Manager, First We Feast
- Andrew Guendjoian; BuzzFeed, Inc.; SVP, Client Partnerships
- Felicia DellaFortuna; BuzzFeed, Inc.; CFO

PRESENTATION

Amita Tomkoria- SVP of IR

Hi, everyone. And welcome to BuzzFeed, Inc.'s 2023 Investor Day. I'm Amita Tomkoria, Senior Vice President of Investor Relations. On behalf of the entire team, thank you for joining us today. Today you will hear from several members of our senior leadership team on the vision, strategy and financial outlook for the company.

Founder and CEO, Jonah Peretti, will kick us off by sharing his vision for the future of digital media. President, Marcela Martin will discuss how we are translating that vision into a robust operating model for digital media.

You'll also hear from brand leadership across BuzzFeed, Complex, Tasty, and First We Feast about exciting new initiatives underway in the areas of creators, artificial intelligence, and cultural moments.

Head of Sales Andrew Guendjoian, will discuss how we are bringing the combined brand portfolio to market for our clients. And CFO Felicia DellaFortuna will wrap up by outlining how all of this great work is expected to fuel our financial success over the next few years.

Before we begin, I would like to take this opportunity to remind you that our remarks today will include forward-looking statements. Please take a moment to read the disclaimers on screen.

Actual results may differ materially from those contemplated by these forward-looking statements. Any forward-looking statements that we make on this call are based on assumptions as of today.

And we undertake no obligation to update these statements as a result of new information or future events. For more information about factors that may cause actual results to differ materially from those in these forward-looking statements, please refer to our filings with the SEC.

Today's presentation will be followed by a live Q&A session with executive leadership. We encourage you to submit questions during the presentation using the question-and-answer window on your screen. And with that, let's get started.

Jonah Peretti- Founder, Chairman & CEO

Thanks so much everyone, for joining us today. We are BuzzFeed, Inc., a beloved collection of leading media brands, including BuzzFeed, Complex, HuffPost, Tasty, First We Feast and Hot Ones. We have a massive, loyal and highly engaged audience with millions of people that visit us directly every day to enjoy our content, and we strive to spread truth, joy, and creativity on the Internet.

BuzzFeed, Inc. has had a history of changing and adapting to take advantage of the biggest Internet technology trends. When BuzzFeed started, smartphones didn't exist and the social platforms were just personal updates, and digital video provided a terrible user experience. At the time, BuzzFeed was a website for desktop audiences with minimal social traffic and no video content.

We were able to evolve our model as the world changed and today, mobile, social and digital video are at the core of our business. We've reached another inflection point on the Internet. We are here today to share strategic and organizational changes we have made to transform our business and lead the digital media industry into the future. The landscape has shifted, and returns on our platform investments have diminished. Readers are sick of all the negative news in their social media feeds. They will increasingly want social media platforms to provide an escape where they can find entertainment, joy and fun.

Audiences will take more control of when, how, and whether they consume news and will drive a return to the editorial curated home pages like HuffPost, Drudge, and CNN.com. Conviction about this prediction is why we made the difficult decision to wind down BuzzFeed news and shift our focus to HuffPost, where we'll be investing in growing an already significant direct audience.

The biggest platforms will increasingly be defined by how much fun they provide users. As a result, the only profitable sustainable businesses that can be built on top of the big platforms will be focused on entertainment. This is why we shifted the BuzzFeed brand away from news to focus on making the Internet more fun.

Over the next decade, I believe content creation will be transformed by the creator economy and generative AI. Some of the biggest careers in media and culture have

started at BuzzFeed and Complex. We launched our first creator program in 2018, built on the idea that content will increasingly be produced by talent around the world who value the freedom and flexibility of working for themselves.

Creators on their own, get burned out, lack community, and don't have a way to establish their trustworthiness and relevance. Media companies on their own trend towards a lack of voice and relatability. Joining forces solves both these problems. The next few years will be defined by creators partnering with the best media brands for credibility, community, and cash.

And the creator platforms of the future will bring together widely known and loved brands, distribution channels, creative partnerships, business opportunities and purpose-built creator tools to help creators succeed in a crowded market. This is why we reimagine our content creation process, starting with Tasty to be creator-first. Later today, you'll hear from Hannah about the progress Tasty has made in growing its creator network and establishing a blueprint for creator-driven revenue growth across the company.

BuzzFeed has always lived at the intersection of technology and creativity. And recent developments in artificial intelligence represent an opportunity to take this convergence to the next level. We view AI as an exciting new creativity tool, one that humans can harness to open up new avenues for imagination, storytelling and entertainment and explore new premium product offerings that allow us to innovate and collaborate with our clients and partners on a new frontier in media.

Over the next few years, generative AI will replace the majority of static content, and audiences will begin to expect all content to be curated and dynamic with embedded intelligence. AI will lead to new formats that are more gamified, more personalized, and more interactive.

Soon, Jess will share how BuzzFeed is using generative AI to innovate around new content formats and establish the blueprint for AI-driven revenue growth across the company.

And with the developments with both creators and AI, we see the opportunity to build a content creation model that makes our creative team more efficient and sustainably expands our output without increasing fixed costs. We have thought deeply about these shifts, and we have made strategic and organizational changes in order to capitalize on them, which Marcella and Felicia will discuss in more detail later on.

At a high level, we structured the company to reduce our fixed costs and align resources with the formats and platforms that will propel our future growth, announced the closure of our platform-dependent news brand to focus on a growing and significant direct audience, and anchored our go-forward strategy in the areas that we believe represent our biggest opportunities to drive long-term growth and monetization. These changes, in addition to the progress we've made in growing audience reach and engagement around

new platforms and formats position us well to close the gap in monetization and accelerate our revenue growth.

Moving forward, we are rapidly expanding our creator program to increase both revenue and content output, prototyping, and new generative AI formats, including quizzes, chatbots that we will scale in the coming months and taking advantage of the fragmented media environment as one of the few companies that can deliver culturally relevant moments at scale, something the platforms or creators can't match.

I believe cultural moments will be the new currency in digital media. A much higher percentage of advertising budgets will flow towards cultural relevance tied to big moments. Moments can be homegrown or they can be part of a broader pop-cultural calendar. Very few partners can deliver voice and scale together in one package. BuzzFeed, Inc. is a one-stop shop for big moments in culture that marketers can plan for and advertise around. With the addition of Complex networks, we have multiple tentpole franchises, including ComplexCon and Hot Ones, each with a proven track record for inspiring some of pop culture's biggest moments.

Donnie and Chris will speak to what's next for these franchises in the new era of digital media. And Andrew will speak to how the sales team is building this tentpole strategy into our portfolio-wide go-to-market. With a massive direct audience across our premium brand and IP portfolio, we are poised to ride the next big Internet wave.

We've built trusted brands with the awareness that is at the level of 100-year-old companies. U.S. Gen Z and millennials spend vastly more time-consuming our content than that of any other digital media company in our competitive set. These competitive advantages have helped us carve out a strategic position in the ecosystem of audiences, advertisers, platforms and creators.

The biggest beneficiaries of the shift to the greater economy and generative AI will be incumbents with recognizable brands and scale distribution. And we are excited to talk to investors today because we've done the hard work to transform the company for the new realities and possibilities of the Internet.

We are committed to building a business that delivers significant margin expansion and generate strong cash flows so that we can execute successfully against this vision. We look forward to building partnerships with new stakeholders who see the opportunity to participate in these massive trends with us. We have clarity on where Digital Media is headed over the next few years, and we are on our way to building the future. We invite you to join us.

Marcela Martin- President

Hello, everyone. I am Marcela Martin, President of BuzzFeed, Inc. We have a lot of exciting initiatives underway across the company, and you will hear more about them in

the brand presentations that will follow. But first, I want to expand on the key components of our business model that Jonah highlighted and discuss why those components are critical to our future success and why we believe we are well-positioned to drive tremendous operating leverage going forward.

Simply put, the future of content is about entertainment. Across our brand portfolio, we deliver culturally relevant content that drives massive audience engagement. U.S. Gen Zs and millennials spend vastly more time consuming our content and that of any other digital media company in our competitive set according to Comscore.

And our content is brand safe, which means we also drive recurring advertising spending by globally recognized brands across CPG, retail, entertainment, tech, and financial services. Fortune 500 companies trust BuzzFeed, Inc. to represent their brands year in and year out.

With the developments around creators and AI and by leaning into our powerful combination of voice and scale to deliver big control moments for our audiences and advertising partners, we see an opportunity to build what we believe it is the most robust operating model for digital media, the industry has ever seen, one that enabled us to rapidly expand content output and increase audience engagement without adding fixed cost.

Starting with creators. BuzzFeed has been a creator-led publisher from the start, broadly defined a creator encompasses everyone from an audience member contributing classic user-generated content to a social media influencer to celebrity talent.

We have a proven track record as a discovery engine for the next generation of Internet creators. From the Try Guysto Quinta Brunson, some of the biggest careers in media and culture have started with BuzzFeed. We have a track record of identifying promising new voices and directing resources to enable their success and amplify their reach. We are leaning into this core competency through the launch of creator programs within each of our brands.

Today, we have close partnerships with more than 100 creators, and we work with a much larger extended network of hundreds of additional creators across our brand portfolio. Across our distribution network, we published more than 5,000 content pieces featuring our creators in 2022. And our creator-driven content generated billions of views across platforms, including more than 1 billion views of tasted creator-led short-form videos.

By shifting focus to creators, we are rapidly and efficiently expanding our output of short-form vertical video content and meeting our audiences on the fastest-growing platforms like Instagram Reels, YouTube shorts, and TikTok.

As an advertiser, it can be difficult to navigate the world of influencers and creators. Our platform brings together a trusted network of creator talent, contextual alignment with

hard-to-reach audience demographics, and a comprehensive suite of tools, technology, and resources for creators to power their entire content creation and monetization engine, all of which enable advertisers to tap into lucrative influencer-led advertising opportunities.

Now turning to AI. BuzzFeed has always lived at the intersection of technology and creativity. We see the potential to harness AI to drive improvements in three key areas. Creatively, with the launch of new formats, we have already seen the potential of this technology to significantly increase audience engagement. Audience time spent with our Infinity quizzes is 40% higher than with our traditional quiz format.

And with the introduction of new AI power formats like chatbots and games, we have seen that audience engagement is multiples higher than with static content. As we continue to prototype new content formats, we see the potential for AI to drive a more gamified, more personalized, and more interactive experience for our audience. Operationally, from an efficiency perspective, AI enables rapid prototyping of new content formats without the need to add fixed costs.

Instead of generating 10 ideas in a minute, AI can generate hundreds of ideas in a second. For example, our team members can talk directly to an AI chatbot to progress their creative ideas. And earlier this year, our product team rolled out an exciting new feature that leverages AI to automatically suggest SEO headlines for our article based on the other headlines. And we have several more developments being built into our CMS to make content creation significantly easier. From a data and insights perspective, AI will continue to help us level up our existing first-party data offering for clients.

In 2022, our first-party data solution known as Lighthouse, serve more than 150 advertisers and deliver over 1 billion impressions, and will drive meaningful results. On average, when partners use our first-party targeting to power their media campaigns, they generate 2x to 5x higher impact across the brand and business metrics that matter most. By leaning further into AI, we see the opportunity to capture and better understand a much bigger data set around our audience and the performance of our content.

And finally, on cultural moments. Moments are defined as events that have a combination of scarcity and unaided demand. There is a shared understanding of the moment and how it is impacting culture. Moments can be homegrown, ComplexCon, Hot Ones or they can be part of the pop cultural event like Pride, HipHop 50, Prime Day, and holidays.

Very few partners can deliver voice and scale together in one package. BuzzFeed, Inc. is a one-stop shop for big moments in culture that marketers can plan for and advertise around. And by leaning into our combined brand portfolio, we see an opportunity to deliver even bigger moments for our audiences and advertising partners.

Andrew, our Head of Sales, will talk more about this later on. Next, I want to outline for you the strategic and organizational changes we have made across the company to unlock this potential and accelerate revenue growth, expand margins, and generate cash flow.

From a revenue perspective, as part of the workforce reductions we have announced, we realigned the sales team to drive speed and efficiency, increased focus on our core verticals, and maximize new businesses. The sales and marketing team has developed a portfolio-wide go-to-market strategy that will enable us to unlock the power of our brand portfolio and competitive advantages. Andrew, our Head of Sales, will share more on this later on.

These changes, in addition to the progress we have made in growing audience reach and engagement around new platforms at format, position us very well to close the gap in monetization and accelerate our revenue growth. Now from a margin perspective, we have taken significant steps to reduce our content creation cost structure. As audience behaviors have shifted, we have seen new platforms and new formats emerge. As a result, we have realigned our cost of revenue structure to the fastest-growing platforms and formats, enabling us to drive operating leverage even in a low-growth environment.

We have also made great strides in growing our creator network, capitalizing on audience trends, and providing further flexibility in our cost of revenue structure. We are also closing BuzzFeed News in order to streamline our brand portfolio with a focus on the brands and IP that are accretive to our overall profitability.

From a cash flow perspective, now over the past six months, we have announced changes that reduced our headcount by more than 25%. We have reduced layers in the organization, which in turn has significantly reduced our cash compensation structure, helping us to preserve cash. Over the past year, we have also taken a step to reduce our real estate footprint in high-cost locations, such as New York and Los Angeles, both to align to our hybrid work environment and to focus our investments on creators and AI.

And we have streamlined our sales, G&A team, and overall fixed cost structure to position the business for continued profitability. With these changes, we also expect to be cash positive in the medium term. Moving forward, we are now focused on unlocking the full monetization potential of our business across the ecosystem of advertisers, platforms, creators, and audiences.

BuzzFeed, Inc. is positioned at the intersection of multiple large and growing markets. U.S. digital advertising spending reached \$250 billion in 2022 and is expected to surpass \$300 billion by 2025, growing by approximately 8% annually over the 3-year period. Over this period, digital ad spending will represent more than 75% of overall media spending, led by the ongoing shift to video formats.

In 2022, the U.S. retail e-commerce market topped \$850 billion and represented approximately 18% of overall retail sales. The market is expected to grow at an average rate of 17% annually, with e-commerce penetration expected to reach 25% by 2025. The

creator economy represented a \$60 billion market in 2022 and is expected to grow at an annual rate of 11% over the next two years.

Artificial intelligence has the potential to expand the market by more than \$80 billion by 2025. And importantly, AI will continue to open up new insertion points for us to drive significant operating leverage at every layer of our business model from content creation to sales execution to enablement and support.

To capitalize on these trends, we have organized the business around three key growth drivers. The first is increasing audience engagement, and we see multiple levers here. We will double down on our owned and operated properties. For example, by shifting our news focus to HuffPost, which already has a significant front-page audience, we will continue to reduce our dependence on third-party platforms to drive revenue growth.

We will continue to introduce new content formats aligned with the latest technology trends and audience behaviors. We have already seen that our AI-powered content such as quizzes and chatbot games delivers deeper audience engagement than static content.

We have also seen that creator-led content, when paired with our brands, delivers a significant lift in audience reach and engagement. We will also lean into our combined brand portfolio to drive audiences around the biggest moments in pulp culture. Individually, our brands already have the ability to create pop culture moments that galvanize a wide audience, whether it's bringing tens of thousands of fans together at ComplexCon or delivering more than 100 million viewers of Hot One's episode featuring Jenna Ortega.

When taken together, we can deliver cultural moments at scale. These initiatives are already helping us drive an improvement in audience engagement trends, which in turn, will position us to reaccelerate revenue growth on our own and operated properties as well as on emerging platforms. The second is growing our customer base. We have already begun to package new content formats into innovative advertising products for our clients.

Specifically, our creator-led content is ripe for brand integrations. Advertisers know that clearly led marketing campaigns are the most effective way to reach young audiences. And BuzzFeed has established the blueprint for creator-driven revenue growth. By extending this model to the other brands in the portfolio, we can offset the impact of lower demand for traditional branded content products with growing demand for creator-led products.

BuzzFeed quizzes have defined Internet culture since 2013. And this past year, our quizzes saw over 1 billion views from around the world. The integration of generative AI and the launch of Infinity quizzes marks the biggest change to the format in a decade. The launch included an original quiz, sponsored by its Scotts Miracle-Gro that uses AI to identify your plant soulmate.

Although it is still early, we are excited about the potential for AI to open new brand-safe partnership opportunities for our clients, whether it's helping our audience find the best deals during Prime Day or connecting brands with consumers via our own homegrown tentpoles like Hiking with Rappers and ComplexCon, we have a track record of monetizing big pop cultural moments.

And by extending this tempo strategy across our different brands, we can deliver even bigger moments that our clients can plan for and advertise around. Later on, Andrew will talk more about how we are packaging moments as part of the combined go-to-market strategy.

And the third growth driver is focused on expanding into new revenue lines and geographies. While advertising and content comprise the large majority of our revenues, we also have complementary revenue streams, such as our studio business, affiliate commerce and product licensing, and experiential events to help our customers connect with their customers in real life.

Our data-driven approach to creativity can also produce more predictable success in long form content development. Later today, you will get a closer look at BuzzFeed Studios, which has built significant momentum around the diverse audience-driven slate of film and TV projects as well as strategic partnerships with the largest streaming partners. By tapping into our rich library of IP and evergreen content engine, we see the opportunity to grow BuzzFeed Studios into a material financial contributor over time. For years, young people have continued to come to BuzzFeed for culturally relevant content that inspires them to discover new things.

In 2016, we extended this relationship to create trusted shopping content that inspires our audiences to discover new products. Today, this business drives hundreds of millions of dollars in transactions each year. By bringing on new retail partners, expanding into new consumer categories, and leaning into new formats to drive increased traffic, we see the opportunity to further diversify our revenue base beyond advertising and content.

From a licensing perspective, both Tasty and Hot Ones have built a robust monetization model around their wide-reaching IP from Tasty Cookware sold at Walmart stores nationwide to Hot Ones boneless chicken bites found in the aisles of major grocery chains. Our brands continue to drive consumers to stores. You will hear more later on about what's in the pipeline to extend the consumer reach of these brands. With the addition of complex networks, we have a differentiated experiential business in ComplexCon.

Every year, tens of thousands of people gather around ComplexCon and annual expertly curated festival of the future, bringing together the world's most influential brands an artist for an immersive and unforgettable two days of style, sneakers, art, food, music, inspiration and more.

And fans are regularly prepared to spend hundreds of dollars per person on average. We want to continue to build experiences like that at scale for advertisers. And finally, we already have audience momentum in regions like Asia, Latin America, Canada, Australia and the U.K. And long term, we see an opportunity to scale internationally through a partnership model.

Before I wrap up, I want to outline the KPIs and metrics we are using to measure progress against these goals. Specifically, we plan to introduce operational KPIs for both advertising and content revenues, which together make up approximately 80% of our total revenues.

In terms of advertising revenues, we will continue to measure audience engagement in two ways, using industry-standard reporting from Comscore to represent time spend on our own and operated properties versus established platforms and supplementing that with our internal reporting to measure viewership and engagement on emerging platforms.

In terms of content revenues, as we roll out our combined go-to-market strategy, we will also measure the number of advertisers we are serving across our product portfolio who spent a minimum of \$250,000 annually as well as retention of this spend. And we expect to share the feature film slate for our studio business as the number of films delivered tends to fluctuate from period to period. And of course, we will continue to report revenues for each of our three revenue lines.

As a large majority of our revenues are related to digital advertising, we measure our progress relative to the relevant business lines for our closest public peers in this sector. Felicia will define this in more detail later on in the presentation. In terms of margin expansion, we believe adjusted EBITDA and adjusted EBITDA margin are the most comprehensive measures to capture improvements in operating leverage across the cost of revenue, SG&A and tech.

This year, we expect to be profitable and to deliver full-year adjusted EBITDA in the high teens millions. And finally, with the changes we have made, we expect to be cash flow positive in the medium term. To summarize, our collection of brands reaches every corner of the young, hard-to-reach audience demographic. This makes BuzzFeed, Inc. a rare digital property that can deliver both voice and scale for advertisers.

We believe that audience engagement, combined with creator and AI-enabled content and brand safety, are the keys to building a better digital media business than anything the industry has seen to date. And we are leaning into the power of our combined brand portfolio to deliver great entertainment to our audiences and massive audience engagement to our advertisers, and significant operating leverage to our shareholders. Felicia will share more in the financial outlook segment of today's presentation.

With the strategic and operational changes we have put in place, I am confident in our ability to unlock the full monetization potential of our iconic brands and the scale,

diversity and engagement of our audiences. Thank you for listening to this presentation today.

Jess Probus- General Manager, BuzzFeed

Hi, everyone. My name is Jess Probus. I'm the General Manager of the BuzzFeed brand. I'm here to talk about how we are integrating AI into the editorial process of BuzzFeed to drive creativity, audience engagement and innovation. BuzzFeed has always been a leader in data-driven storytelling.

The creatives who work at BuzzFeed have always been deeply informed by data and empowered by our custom tech stack that makes it easy for them to create great work to distribute it widely, and to understand performance in both a granular and a general way. Our editorial teams are constantly looking at audience engagement and performance data to understand more deeply how their work is connecting with the audience and using that real-time feedback to make edits or to make things even better the next time.

The integration of AI represents an opportunity for us to massively level up our data-driven storytelling skills in a couple of different ways. First, using the generative power of large language model AI, we can create hyper-personalized content at scale, backed by the brand trust of BuzzFeed and the expertise of our editorial staff, that is far more engaging to our audience than static media, from chatbots to games to personalized articles and then we can feed the engagement data from that content back into the data pipeline.

Second, using AI on the back end will help us better understand a much bigger data set about the historical and contextual performance of our work and our competitive set. We view generative AI as both a creative tool and an efficiency tool anchored, of course, by human creativity and editorial instinct.

And we've seen immediate results anytime we start to introduce creative teams to this technology. In fact, every time I've seen one of our editorial staff start to experiment with AI tools, I immediately see a new level of creativity unlocked. In a very short amount of time, our teams have developed enhancements to existing formats and also presented completely new ideas. This is the kind of energy I've really only ever seen from a truly revolutionary kind of technology. I would characterize our application of AI across two buckets: AI native content and AI as a copilot.

With AI native content, we are prioritizing user-facing content or features that are powered by AI, things that are just not one-to-one replacement of something we could already do. These are editorial opportunities that would simply not be possible at the scale or quality without AI, such as our quizzes that have an infinite number of personalized results. We're also deploying AI on the back end as an efficiency tool to make humans more powerful in their day-to-day work. Instead of generating 10 ideas in a minute, AI can generate hundreds of ideas in a second.

For example, our team members can talk directly to an AI chatbot to progress their creative ideas. In fact, just last month, our CMS team rolled out an exciting new feature that leverages AI to automatically suggest SEO headlines for an article based on the other headlines. And we have several more developments being built into our CMS to make content creation significantly easier.

Now I want to share with you some of the new content formats we've rolled out over the past few months and what's coming next in AI-powered content from BuzzFeed quizzes have defined Internet culture for the past decade. In 2022 alone, quizzes had over 1 billion views from around the world.

The integration of generative AI into our new format, Infinity quite, marks the biggest change to the format in a decade. These new AI-powered quizzes have seen significantly higher time spent per user on average relative to the traditional quiz format.

And this new format has attracted advertiser attention as well, with Scotts Miracle-Gro collaborating with us on original quizzes as part of our launch, and several more advertisers already signed on for future versions. We also debuted our interactive AI influencer coach game earlier this year, where you can find out if you have what it takes to be the next Emma Chamberlain. Users are spending exponentially more time relative to other traditional content formats on our owned and operated platforms on AI. Here's a quick demo of how it works.

We are continuing to innovate rapidly with AI-powered content developing several new formats and tools designed to lean into BuzzFeed's brand value as an entertainment destination. From a multiplayer game where friends or strangers can compete to figure out who in the group chat is actually into an AI shopping assistant that will help you find the perfect gift to a tool that turns community submissions into complete articles.

There's also a lot more to BuzzFeed beyond our flagship BuzzFeed brand. Before I wrap up, I want to briefly touch on the role of some of our identity-focused and emerging brands in driving creativity and innovation for the larger BuzzFeed brand.

From identity brands like Cocoa Butter, Pero Like and A*Pop to our animation channels like Chikn Nuggit and Land of Boggs, we've had incredible success growing reach and engagement across audience-driven content. This breadth of content allows us to reach diverse audiences across multiple platforms to develop new IPs and to experiment with new content formats.

We know how to build communities and how to keep them engaged. Our identity brands are built by and for the communities to provide a safe and welcoming space for individuals to find entertainment and to connect with one another. Pero Like, our Latine identity brand, has millions of loyal, highly engaged followers and subscribers across platforms, which consistently attracts advertiser spending dedicated to reaching multicultural audiences.

Our identity brands also provide an opportunity for us to experiment with audience-driven content on emerging platforms. For example, we recently launched a new Shorts channel for our Asian Identity brand, APOP, which drove millions of views in its first week alone. Our animation channels have also seen tremendous success in building loyal, highly engaged audiences.

Our original animation series, Land of Boggs had tremendous audience response last year, amassing millions of subscribers and driving exponential viewership growth on YouTube.

We recently followed the success up with the launch of Chikn Nuggit. Originally launched on TikTok as our first vertical-led IP, Chikn Nuggit is a great example of our expertise in creating original IP that resonates with our audience and successfully adapting that IP across platforms.

After launching on YouTube shorts in June of last year, Chikn Nuggit quickly became our fastest-growing YouTube shorts channel, surpassing 1 million subscribers in the shortest time frame. Our data-driven approach to content development also extends to BuzzFeed studios with the goal of producing more predictable success in premium long-form content.

Next up, you'll see how the studio team has leveraged audience insights and IP from across the BuzzFeed, Inc. portfolio to deliver a diverse slate of premium programming for its streaming, linear, TVOD, AVOD, and theatrical partners and to promote new releases through innovative cross-platform marketing campaigns that tap into our two-way audience connection, our creator network and our scaled distribution across platforms. Thank you.

Donnie Kwak- General Manager, Complex

Hi, everyone. My name is Donnie Kwak, I'm the General Manager of Complex, and I'm here to give you an overview of the Complex brand. Complex represents the past, present and future of convergence culture, built on the notion that our overlapping interests can build and nourish communities as an alternative to the usual identity boxes of race, gender and sexual orientation. It's a world in which an obsession with sneakers or rap or video games or anime or streetwear, or art can unite people from all backgrounds.

Complex started as a print magazine, publishing its first issue in 2002. Last year, we celebrated our 20th anniversary. As you can see here, over the past two decades, we've expanded from print to digital to video, to experiential to the metaverse, to streaming and beyond. Complex is known for its long-form digital video content on YouTube.

Our premium programming, like Sneaker Shopping, Full-Size Run and 360 with Speedy, has grown into an authoritative voice that defines convergence culture and attracts millions of loyal, highly engaged audiences and major advertisers like Levi's and Intel.

Complex has also launched some of the largest live shopping events in the world, including our annual IRL tentpole experience ComplexCon, where fans come to discover what's new and what's next from emerging brands and artists in fashion, sneakers, streetwear, art, food, and music.

Our editorial strategy also incorporates innovative collaborations with cultural icons before they're embraced by mainstream pop culture. We gave Kim Kardashian her first-ever magazine cover in 2007 before people even knew what an influencer was. Artists like Grammy Award-winning musician and entrepreneur Pharrell Williams, and influential fashion designer, the late Virgil Abloh, have partnered with us to host ComplexCon.

Our YouTube shows regularly featured the most relevant celebrities and artists from veteran wrappers like Fat Joe and Lil' Kim on the Timberland-sponsored Hiking with Rappers to Hollywood royalty like Mark Wahlberg and Kevin Hart to the newest content creators like Kai Cenat and iShowSpeed, all recent guests on Sneaker Shopping.

And moving forward, we are exploring opportunities to innovate around our editorial content with the help of artificial intelligence and in the form of trivia games and shopping assistance.

Across our portfolio of premium programming, live events and editorial content, we have built a collection of brand-driven tentpoles that drive cultural moments for audiences and advertisers alike. Earlier this season, our hit YouTube show sneaker shopping invited Ben Affleck, Matt Damon and Chris Tucker to the show to promote their new film AIR. The episode was sponsored by FX to promote their original series, Dave.

This year, Complex is celebrating the 50th anniversary of hip-hop with a robust editorial package and video and experiential extensions. And we are building strong momentum with advertisers around this pop culture moment, including a partnership with the luxury resell platform, StockX.

And every year, tens of thousands of fans and hundreds of brands look forward to the highly anticipated IR event ComplexCon, our cultural Super Bowl. In its seven-year history, ComplexCon has become known as a leading destination for young people to discover the latest in streetwear, fashion, sneakers, music and more, with fans regularly spending hundreds of dollars per person on featured merchandise.

Looking ahead, we're extending our brand presence to new platforms and audiences by welcoming our first class of content creators for complex networks. The complex creative freshman class is composed of 18 diverse voices and culture shifters. In doing so, we are offering advertisers even more innovative ways to collaborate with us and access young, diverse, hard-to-reach audiences.

This work is already starting to pay dividends. We've secured premium creator-driven partnerships with multiple advertisers. Looking ahead, we're excited to work with our

creative class to scale our premium creator-led offering for our advertising partners over the coming months. Thank you.

Hannah Bricker- General Manager, Tasty & Lifestyle

Hi. My name is Hannah Bricker. I'm the General Manager of Tasty, and I'm here to tell you how we evolved Tasty from a community for home cooks into a leading platform for food creators. Since we launched in 2015, Tasty has taught the Internet how to cook, you're inspiring recipes, cutting-edge trends and inclusive food stories that reflect the wide identities of our audience.

In fact, Tasty has grown into the largest most engaged food community on the Internet with massive cross-platform reach across the Tasty website, mobile app and social media channels and deep audience engagement. We know that 8 and 10 members of our audience actually try a recipe after seeing it on Tasty.

Over the last eight years, we've harnessed that scale and engagement to build a brand with a diversified revenue model, all informed by audience insights, from strategic advertising partnerships with brands like Walmart and McCormick, to a meaningful commerce program anchored in shoppable recipes to IP licensing through consumer products like cookware.

We've built a robust business around Tasty with multiple monetization channels working in partnership with our audience to respond to their needs, iterate on our formats and evolve the brand together. And in the past year, Tasty has transformed into the ultimate creator platform using the same strategy, listening to our audience. Food is a universal aspect of identity and self-expression, one that transcends cultures and connects people from all walks of life.

In 2022, we saw a transformation within our audience. They started doing themselves, not only as home cooks but also as food creators, making content from their recipes to share as videos on social platforms. In response, we began to feature more and more food creators across Tasty, giving them access to our creative insights, our incredible scale and our advertising relationships.

Those efforts paid off by the end of 2022, Tasty had partnered with more than 50 creators and generated more than 1 billion views through creator-led Instagram wheels. To formalize these efforts and scale our creator footprint even further, we launched the Tasty Residency, a 40-week program designed to propel emerging voices into full-blown Foodtok talent, solving greater pain points by leveraging Tasty's insights and content expertise.

For our inaugural residency class, we saw talent with specific points of view like Gideon General, who is an Ohio-based line cook, turned foodtok with a focus on Filipino flavors, or Jeff Ilechie, a comfort food counter with an eye for family-friendly meals. And finally, Jeri Mobley, an expert in food science and Cooking ASMR who recently appeared in

Tasty's top-performing TikTok of all time, a potato pompom video that's generated more than 40 million views to date.

We build our residency classes with intention, bringing in unique perspectives and complementary platform expertise. Here's a quick look at who they are and what they're working on.

The results from this program are exciting, and it's clear that Tasty's braintrust has the power to accelerate creators' influence. Creator content performs 2x better when it's published on Tasty handles instead of a creator's account. And pairing our tasty insights with a unique creator perspective is a winning combination. The IP we produce together exceeds our benchmarks. And through it all, the Tasty residency transforms emerging voices into full-fledged stars. Our residents grew their audiences by an average of 50% throughout the program.

The response from our advertising partners has also been incredible. In 2022, Tasty delivered creator-led advertising campaigns on behalf of some of the biggest household brands, including Chase, TurboTax and Campbell's. Looking ahead, we're excited to keep building on this momentum, unlocking new value for our advertising partners and allowing more creators to tap into our Tasty braintrust. Thank you.

Christopher Schonberger- General Manager, First We Feast

Hi, everyone. My name is Chris Schonberger, and I'm the General Manager of First We Feast and creator of Hot Ones. First We Feast began with creating an award-winning website and establishing its credibility as a voice at the intersection of food and pop culture. We often say we don't tell stories about food. We use food to get people talking. In the early years, we won a number of James Beer awards that solidified our credibility and journalistic bonafides in telling stories around food.

In 2015, we pivoted fully into premium video with a focus on long-form ownable IP like Hot Ones, the Burger Show and Pizza Wars. And now we're selling products that allow fans to live the show at mass retailers across the country. With a pivot to digital video, we began the transition into a revenue-generating entertainment brand, launching some of the most popular food and pop culture-related IP on the Internet, most notably Hot Ones as well as programs like Tacos con todo and Snacked.

We continue to expand the business we built around premium IP by launching products at national retailers such as our Hot Ones Boneless Chicken Bites, which first debuted at Walmart last year and gave fans both new and returning the ability to live the show.

By 2021, Hot Ones had solidified its place in pop culture at the intersection of the Internet and the mainstream media with both the show and its host, Sean Evans, earning Daytime Emmy Award nominations. Not only has Hot Ones galvanized audiences on YouTube, driving millions of views week after week and consistently trending as the number one show on the platform.

But the show has also penetrated the pop culture zeitgeist in a way that's unprecedented for a digitally native property, from being parodied on Saturday Night Live with Maya Rudolph playing Beyonce, to finding its way into an episode of the Simpsons to Sean as a consistent presence on late-night television, doing Hot Ones segments alongside the likes of Jimmy Fallon and Stephen Colbert to multiple Emmy nominations.

Hot Ones has become the blueprint, not only for digital media, but also for any entertainment brands looking to break through the noise and create a true impact with audiences and consumers.

Here's a snapshot of how our revenue flywheel works. Episodes are monetized in their first window via sponsorships from advertising clients that range from Old Spice to Disney+ to Coors Light to Snickers, then via our talent and our IP, we sell branded content that allows clients to integrate their products and messaging directly and authentically into the Hot One's universe.

For example, last holiday season, Universal came to us to promote its latest Puss in Boots film with a custom episode of Hot Ones in which the iconic animated cat, Puss, voiced by Antonio Banderas, was integrated into an interview with Host Seann Evans. Our fans are rabid for everything related to the show.

As a result, we're able to build our own universe around the Hot Ones IP, including successful spin-offs of the series like the Truth or Dab, which is also consistently sponsored. In fact, year-over-year, TurboTax returns around the Super Bowl to sponsor a football-themed episode to amplify their brand messaging ahead of tax season.

Hot Ones is not only to be watched, but also experienced. The IP has driven amazing experiential activations at both our own events and other cultural tent poles with brands looking to Hot Ones to cosign their cultural relevance and sell their products.

This includes a collaborative Espolon tequila activation at last year's complex con featuring a Hot Ones inspired spicy Margarita. Turning to commerce. The brand is literally on fire with a range of products available at national retailers like Walmart, Sam's Club and Target. And via BuzzFeed, Inc., we bring them a massive media apparatus that we can tap into for our clients in order to market their products to relevant consumer segments.

We work with large CPG clients to create great products, and it's clear to see why they want to combine forces with Hot Ones. We bring cultural authority. We bring boundary-pushing flavor profiles that help them stand out on shelves. And via BuzzFeed, Inc., we bring a massive media apparatus that we can tap into for our clients in order to market their products to relevant consumer segments.

As we look to the future, there's so much white space, and we see a huge opportunity to build on the current momentum of Hot Ones. One of these opportunities sits at the

intersection of Hot Ones and sports. The large majority of our audience is male, which represents a huge intersection with the universe of professional sports.

We have partnerships in place with teams like the Los Angeles Chargers in football, the Los Angeles Kings and hockey, which are inclusive of stadium activations, merch drops and content. We see a lot of opportunity to build partnerships at both the team level, but also at the league level as well as with streamers and broadcasters in the space.

In that same vein, Hot Ones IP offers robust opportunities for spin-offs and new premium series through the BuzzFeed Studios team and our O&Os. One such example is our forthcoming series called Heat Eaters.

With our host Chef Ester Choi, the series will thread the needle between Spice Lords tuning into Hot Ones each week, seeking Scoville thrills and foodies who want to know more about the culinary aspect of spice and hot sauce. Taking viewers outside of this black box that is the iconic Hot Ones studios and out into the streets, Heat Eaters will explore the world of spice and embrace the stripped-down, fun, anything goes nature of documenting real eating adventures.

And finally, we're really just getting started with our retail expansion. Last year, Hot Ones licensed its brand to launch the Hot Ones Boneless Chicken Bites available at Walmart stores across the country. Building on the success and the relationships that we've developed, Hot Ones is expanding into new product categories at multiple grocery chains nationwide and exploring even more ways to bring its fan-favorite menu items to consumers.

In fact, later this summer, we'll be introducing two new products exclusively at Kroger. And in the fall, we're looking forward to the national launch of Hot Ones Hot Pockets in partnership with Nestle. Stay tuned for so much more to come from First We Feast and Hot Ones and thank you for tuning in.

Coming up next, a look at HuffPost. First launched in 2005 and acquired by BuzzFeed in 2020, HuffPost continues to engage its direct-to-front page audience with resident coverage of the world's biggest cultural moments. From breaking news and politics coverage to the biggest stories in entertainment and culture to inspiring personal assets and informed wellness content. Here's a look at how HuffPost is driving audience growth with destination news content.

One of the main reasons why a lot of people come to HuffPost, to begin with, is our breaking news coverage and our politics coverage. But we're so much more than that. We have our outstanding culture entertainment coverage. We have an incredible life section that really covers everything from parenting to relationships, to work-life balance, to wellness and holistic needs that everyone has. We have an amazing Voices offering that like really amplifies the stories of different types of people.

Our audience is so loyal and I feel like the reason why they come back to us every day is because we are speaking to them for them and of them, not at them. What was exciting about HuffPost future is the fact that we are growing. We are the premier news brand here at BuzzFeed and we're only getting bigger. Our audience is getting bigger. So I'm excited. I'm ready for it. Let's do it.

Andrew Guendjoian- SVP, Client Partnerships

Hi, everyone. My name is Andrew Guendjoian, Head of Sales. BuzzFeed, Inc. is a rare digital company with both voice and scale. At one end of the spectrum, publishers tend to have strong voices, but little scale. Unlike most digital media companies, which are a rollout of smaller digital properties, we have big recognizable brands that create an influence culture.

As you heard, young people spend vastly more time with our content than any other company in our competitive set according to Comscore. On the other end of the spectrum, you have platforms with massive scale but no voice. The voice is fragmented amongst the users, and it can be a cesspool of negativity.

Our voice powers our scale across our flagship brands. We know our voice is influential in the marketplace because our brands have broken through and reached scale. Having both voice and scale enables us to serve our clients with a diverse ad stack, which includes everything from content and sponsorships to media to rich data sets. BuzzFeed's brands have varied and distinct voices that attract a big, diverse audience of millennials and Gen Z across the digital ecosystem.

This allows us to work across a broad spectrum of the advertising market. Where we've fallen short is we haven't solved for the bundled portfolio of brands. But we're encouraged because, in pockets, we've seen certain partners really lean into the bundled portfolio.

Our work with the Coca-Cola Company is a great example. Sprite has been working with Complex to reach multicultural audiences in an authentic voice for the past three years. As BuzzFeed, Inc., we are now able to connect Sprite with a multicultural audience that is incremental to the one they reach with Complex alone.

Sprite partnered with us to create a cross-platform program for their holiday launch that spanned our creator, sponsorship and first-party data solutions. In order to help our client reach a multicultural audience, the campaign ran across Complex and Hot Ones as well as BuzzFeed's Black Identity brand, Cocoa Buttr, each of which has diverse, highly engaged and loyal audiences.

Performance and engagement were positive across the board. And our custom content and editorials drove strong increases in message association, brand favorability and purchase intent based on third-party research. Historically, Lionsgate is partnered with BuzzFeed and Complex brands individually to promote their feature film slate. Our

partnership to support the release of John Wick Chapter 4 showcases how we can light up multiple brands in our portfolio by leaning into different aspects of the film.

With the BuzzFeed brand, we were able to deliver an entertainment-centric audience to promote the film. Lionsgate leveraged our long-standing connection between our audience and dogs to highlight the protagonist's connection to his dog. We leaned into our creator products as well as BuzzFeed's popular celebs with Puppies interview franchise.

And we held the screening with the twist. We invite creators and their dogs to watch the movie together and captured content that could be distributed across social to promote the film. And by extending the campaign to include complex, we engaged Complex's John Wick fans with the takeover featuring a logo transformation from Complex to Wickplex on the day of the film's release. With an intentional portfolio-wide go-to-market strategy, which I'll discuss in a minute, we are positioned to drive even more of these opportunities.

To enable more of these revenue synergies and reaccelerate our revenue growth, we have made strategic changes to streamline the sales organization. First, we are working horizontally with centralized sales enablement and support teams set up to service all brands in the portfolio. Second, we are driving an increased focus on five core verticals: CPG, retail, entertainment, tech and financial services with leaders that bring strong industry knowledge and relationships. Previously, we had coverage of these five verticals fragmented across the sales work.

Third, we are maximizing new business with greater sales coverage by flipping some of our sellers to an innovative new business compensation structure. And finally, by consolidating the teams breaking down silos and working more horizontally, we are accelerating the knowledge transfer across BuzzFeed and Complex that should have happened a year ago. Now that we have the team structure in place. This is how we are bringing the combined portfolio to market.

We see three intersectional pillars where BuzzFeed has competitive advantages relative to the digital media category. BuzzFeed has invested in creators since before they were called creators. We launched our first program in 2018, and we have a roster of over 100 creators that power our content and advertising strategy with brands.

No other digital media company has a creator program in pairing brands and creators. We have a competitive advantage with Gen Z and millennials because creators are the most effective way to connect with these audiences. We see opportunities to create incremental revenue streams on top of how we are already working with creators and advertisers.

In terms of artificial intelligence, BuzzFeed is leading the way. We've been experimenting with AI for years. Early experimentation fueled our recent breakthrough and has helped us build a leadership position. We envision AI doing for on-site branded

content, what creators did for branded video, revitalizing the market and opening the door to higher-margin advertising products.

We are uniquely set up to deliver on this given our track record as the major platforms have shifted towards scale. Interactivity and engagement have become underserved in a digital ecosystem. AI has the potential to increase the interactivity of our content, which will lead to more engagement, particularly with Gen Z and millennials, two groups that were born with interactive media, like games. BuzzFeed will be a beneficiary of this given our track record of innovation and tech-powered content development.

Clients are already tapping BuzzFeed to deliver AI-powered ad products as a way to reach young audiences. The digital ecosystem is dominated by cultural moments. Marketers need moments in order to effectively reach their target audiences, but an algorithmically dominated digital ecosystem. It is difficult to plan for them. Across our portfolio, we consistently create big moments in culture that marketers can plan for and advertise around. The way we define moments are things that have a combination of scarcity and unaided demand.

There is a shared understanding of the moment and how it's impacting culture. Moments can be homegrown- ComplexCon, Hot Ones, or they can be part of the pop culture calendar, Pride, HipHop 50 Prime Day and holiday. And over the years, we have developed a track record of delivering big moments for our ad partners, whether it's driving tens of thousands of fans to ComplexCon or millions of viewers to YouTube to watch Hot Ones. Now I want to share some case studies that bring these opportunities to life.

Our creators are an integral part of every creative strategy we build for Walmart. Their ability to tell an authentic story on behalf of Walmart helps build brand favorability and awareness of their assortment of products, thus bringing consumers down the funnel to purchase. Walmart has a deep relationship with Tasty and powers our shoppable recipes experience across Tastyco and the app.

Our creators are a natural extension to the Tasty brand, bringing the Walmart-powered recipes to life and allowing for ease of shopability on walmart.com. As part of our multimillion-dollar relationship with Walmart, we developed a creator-led holiday campaign that drove more than 100 million impressions surpassing industry benchmarks for click-through rate, time spent and video completion rate and exceeding our clients' goals in terms of brand awareness and audience reach.

Walmart continues to invest in our Tasty and BuzzFeed creators as part of every campaign, given the performance and authenticity and level of trust that our creators have amongst our readers and the Walmart consumer. In February, BuzzFeed introduced Infinity quizzes to its community. BuzzFeed quizzes have defined Internet culture since 2013. And this past year alone, our quizzes saw over 1 billion views from around the world.

The integration of generative AI and the launch of Infinity quizzes marks the biggest change to the format in a decade. Although it is still early, we are excited about the potential for these new formats. The launch featured a partnership with Scotts Miracle-Gro during their key selling season. It included a series of AI-powered quizzes and interactive formats designed for their target millennial consumer.

These highly engaging branded formats were combined with targeted high-impact media throughout the early spring offering a partnership, delivering on consumer reach, engagement and innovation for this returning advertiser. We look forward to leveraging AI to bring more innovative brand-safe partnership opportunities like these to our clients. As I mentioned, moments can originate from our own brand-driven temples or events that are tied to the pop culture calendar. And we have a track record of success in monetizing these cultural moments on behalf of our advertising partners.

One such example of a pop culture moment that we've successfully built monetization around is the Latine Heritage Month. BuzzFeed, Inc. has invested in the Latine community through our identity-focused brands such as PeroLike, amassing millions of followers and subscribers across platforms. Complex also has a track record of success in connecting with this audience. And we have a network of Latine-creators that represent this community and empower creator-driven content across our brands.

In the past, this content has attracted advertising dollars from household brands like Prime Video and Macy's. To date, we have largely connected advertisers to these audiences at the individual brand level, but we see portfolio-wide moments as an excellent way to educate the market on the value of BuzzFeed, Inc.

This year, we'll see BuzzFeed PeroLike and Complex come together to celebrate Latine Heritage Month in a major way. Our combined audience reach and creator network will serve as the connective tissue across the brands to drive even larger monetization opportunities around these moments for our advertising partners.

We see creators, AI and moments as intersectional. AI itself became a moment when we announced the launch of Infinity quizzes and was instantly monetizable. Careers themselves powered brand-driven moments that we build momentum around to engage our users and our clients.

And portfolio-wide moments help us activate cross-brand opportunities and deliver on the full potential of our portfolio. Each of our brands has developed a blueprint in each of these areas. Moving forward, we are extending these blueprints across our brand portfolio to drive cross-sell and upsell opportunities, bring innovative solutions to our clients and accelerate revenue growth. Thank you.

Felicia DellaFortuna- CFO

By now, you have heard from various leaders across the company about different aspects of our business model. I thought it would be helpful to summarize those here. Over the

course of BuzzFeed's nearly two decades-long history, we have learned that there are a few components that are essential to building a strong, profitable digital media company. The first is that you have to have strong brands and audience engagement.

As you have heard, BuzzFeed, Inc. has an established leadership position with young audiences. Gen Z and Millennials in the U.S. spend vastly more time consuming our content than that of any other digital media company in our competitive set according to Comscore.

Secondly, you need to have a data-driven flywheel that allows you to get better over time and compound your knowledge of how to serve that audience. And we have invested in the technology and business processes in order to create a strong feedback loop between our audiences and our content teams.

By leaning into AI, we see the opportunity to capture and better understand a much bigger data set around our audience and the performance of our content. Third, you need a scaled cross-platform network. As the platform landscape has evolved, we have done the hard work to align our content distribution strategy to the platforms that represent the highest potential for long-term monetization. This includes our owned and operated websites and apps.

Rather than extending every brand to every platform, we have developed a model through the brand portfolio that allows us to reach audiences wherever they are. And finally, you need a diversified revenue model in order to successfully monetize new content formats as the platform landscape and audience behavior evolves.

Across our three primary revenue lines, advertising, content and commerce and other, we serve as a one-stop shop for advertisers with a product suite that ranges from display advertising to pre-roll and mid-roll video to branded content and creator products to editorial shopping content, licensing and experiential. Each of these components is essential to driving sustained revenue growth and profitability over the long term. Next, let me provide a brief overview of our revenue and cost structure.

We report revenues across three primary revenue lines, advertising, content and commerce and other. Advertising revenues consist primarily of payments we received from advertisers, directly and programmatically for ads distributed against our editorial and news content, including display, pre-roll and mid-roll video products as well as homepage takeovers.

We distribute these ad products across our owned and operated sites as well as third-party platforms. Content revenues consist primarily of payments received from clients for custom assets, including both long-form and short-form content from branded quizzes to Instagram takeovers to branded content videos. These revenues also include feature films as well as content licensing.

Commerce and other revenues consist primarily of affiliate commissions earned on transactions initiated from our editorial shopping content as well as revenues from our experiential and product licensing businesses. Our quarterly revenue profile generally reflects the seasonality of advertising spend and holiday shopping. As a result, the fourth quarter tends to be our largest from both a top and bottom-line perspective.

As a complement to our revenue reporting, we also provide a time spent metric using industry-standard reporting, which captures the time audiences spend engaging with our content across our owned and operated sites as well as YouTube and Apple News and Facebook. This metric is intended to be viewed in conjunction with our advertising revenues.

Instagram and TikTok are also strong platforms for us in terms of audience engagement. However, considering these platforms offer limited advertising, and revenue-sharing opportunities at the moment, we monetize engagement, primarily through branded or custom video content.

Therefore, these platforms are not reflected in our time spent metric. It is important to note that consistent measurement of audience engagement across all platforms continues to be a challenge for our industry. In the absence of third-party tracking, we are committed to updating you on our progress in growing audience engagement on these new platforms.

Turning to costs. Our cost of revenue was primarily driven by content creation. This includes all our staff writers, journalists and producers as well as our network of freelance creators. Traffic acquisition costs are also captured here, although historically less than 5% of our traffic is paid.

Our operating costs include general and administrative, sales and marketing and research and development expenses. These costs are managed centrally to support all brands in our portfolio and remain relatively consistent over the course of the year even as revenues fluctuate.

As you heard from Marcela earlier, we have taken significant steps to adjust our fixed cost structure in order to improve near-term profitability and position the business to drive expanded margins and positive cash flow over the medium term. Before I discuss the forward outlook for the company, let me first share a bit about our revenue drivers. Starting with advertising.

Revenues are a function of both volume and price. To represent volume, we measure audience traffic in terms of time spent across our owned and operated properties as well as third-party platforms. From a pricing perspective, we consider the mix of ad inventory sold directly versus programmatically as the two sales channels have different CPM profiles.

We also offer advertisers homepage takeovers on our owned and operated sites, which are sold on a fixed-price basis. In terms of content revenues, the majority of our revenue comes from branded content. There are three primary drivers of branded content revenue. The number of clients we serve, the average deal size and spend retention. When looking at these drivers, we focus on clients with a minimum annual spend threshold of \$250,000, which reflects the scale and reach of our portfolio with advertisers.

To address our client retention, we drive toward continuous product innovation in order to create stickiness with our customer base. Our content business also includes our Studios business. Here, we consider our development slate, which tends to vary widely from period to period. Turning to Commerce and other. Our editorial shopping content drives the majority of our commerce revenues. Here, we again consider audience traffic trends as well as conversion.

Our traffic drives engagement, which also fuels the ancillary lines of business in experiential and product licensing. Across each of these revenue lines, we anticipate creators, AI and moments, playing a larger role over time as we lean into these trends to drive higher audience engagement and introduce new products through our advertising clients.

Turning to profitability and margins. With successful execution against the cost restructuring plans that Marcela outlined earlier, we expect to deliver full-year 2023 adjusted EBITDA in the high teens millions. Looking ahead to 2024 and '25, the actions we have taken to reduce our fixed cost structure position us to drive significant operating leverage and deliver further improvements in adjusted EBITDA margin as revenue trends improve.

In terms of cash flows, our restructuring plans have also significantly reduced our cash cost structure. Over the medium term, we expect to be cash flow positive. With a massive young audience, strong brands, a data-driven platform and a diversified revenue model operating at scale, we are on our way to building the most robust operating model for digital media the industry has ever seen. Thank you for joining us today. We will now take your questions.

QUESTIONS AND ANSWERS

Amita Tomkoria: Welcome, everyone. Thank you for tuning in. We hope you enjoyed the presentations today. My name is Amita Tomkoria, Senior Vice President of Investor Relations. And joining me for Q&A today are CEO, Jonah Peretti; President, Marcela Martin; and CFO, Felicia DellaFortuna. We've received several questions already, so we're going to go ahead and get started.

The topic of the day is AI. So I'm going to summarize several of the questions that we've received so far and maybe starting with you, Jonah. In terms of AI, it sounds like there's a pretty impressive pipeline of content coming out from BuzzFeed. Can you maybe just talk about sort of how BuzzFeed is positioned as a beneficiary from an AI perspective?

Jonah Peretti: Sure. So we are very fortunate to be the digital media company that is best positioned to take advantage of this explosion in generative AI. And the capacity and technology has dramatically increased in the last few years. And so we were very early a few years ago doing our first quizzes that used generative AI images. This year, it's really accelerated with our partnership with OpenAI and our ability to generate Infinity quizzes. So the iconic BuzzFeed quiz that has been part of Internet culture for almost a decade now has a generative AI behind it to be able to generate an infinite number of quiz responses.

And this also adds a lot of additional capacity for each writer because they write on a prompt and then the quiz can generate an infinite number of responses. Today, we have an image-generating AI quiz. We also have launched chatbots that are another kind of interactive format. I would say the big advantage we have is that from the very beginning of the company, we've been very focused on using new technologies to create new formats for audiences. From the early days of creating Tasty as a social video format to launching quizzes to the shift to mobile to social.

And so this really is the next big platform. And the way that we operate and think and our culture is all about creating the best content for whatever new technologies start to engage consumers. And we're seeing great results so far with 40% longer time spent on quizzes that are AI-powered. The chatbot game we launched Under the Influencer had 4x more time spent than a traditional quiz.

And the fact that we have both the creative culture and teams plus the brands with Tasty and BuzzFeed and HuffPost and Complex as well as the distribution gives us a really great launching point for these new formats and new technologies that our users are already loving and the team is just very fired up with all the new things that we're developing that we haven't even released yet. So it's a very exciting time for the industry.

Marcela Martin: I would also add that we have been very fast in embracing AI, and we were able to deliver the first product with a partnership with Scott Miracle-Gro in the middle of February, and it worked out really well. So we are very excited about what we can deliver for our advertisers.

Amita Tomkoria: Just to stay on the topic of AI. Can you talk a little bit about the cost dynamics. that We hear a lot from big tech about these large language models being very expensive. Is it costly as you guys start to ramp up AI-driven content? Or how should we think about that?

Jonah Peretti: Yes. So there is a big arms race with training bigger models and expensive models and using lots of GPU cloud to generate these. We are not building these models, and we are not incurring those costs.

And so we are a beneficiary by building on the application layer and the creative layer and the content layer on top of these platforms. And so it really is benefiting us that there

are so many players who are all competing to make the best models and that we don't need to make those models. Instead, we can tap into them and pay variable expenses for API usage, but build compelling experiences on top of it using our brands and our content and our expertise and our teams that know how to make really differentiated content on top of it. So that's the way we've been engaging in that space.

Amita Tomkoria: And then maybe, Marcela, one for you, just because you mentioned Scotts Miracle-Gro, maybe you can talk a little bit about sort of how you guys think about the benefits of AI from a top-line perspective and efficiency perspective and sort of what you see?

Marcela Martin: Yes. I mean we are in very early stages. But as I mentioned earlier, we were very fast, and we have seen very good results. And I think that it is a powerful combination to have a network of creators such as the one that we have combined with the power of enabled content through AI, which sparks more creativity. And I think that we can deliver on top of that to very massive audiences with the power of our brands that, unlike other publishers, the brands are incredibly large and there is no fragmentation in the reach that we have.

Jonah Peretti: Yes. I would just add to that. If you look out a few years, I think you can see really creative people who either work at a company or partner with us as creators having tools that allow them to just be orders of magnitude more productive.

And so you still really need creative people and ideas to make great media and great content. AI doesn't do that on its own, but partnered with human creativity plus AI, you can generate much more leverage from each employee and each creative person to be able to make more content that reaches more people that's more interactive, that's more personalized.

And so all of that is going to be a really exciting development in our industry, and I think we are poised to be the biggest beneficiary in the digital media space because of our adopting early, but also it plays well to the way that BuzzFeed has always operated at the intersection of technology and content and focusing on the new formats and new ways that consumers consume media.

Marcela Martin: And also, besides the power of AI to help our advertisers is internally and operationally, all of the enhancements that we can do. It's very early on. But this morning, I got the news that one of the projects that the team has been working on, and Jonah's directions on RFPs is doing really well.

They have the first test, and it's amazing because they have been able to deliver a response to a request for proposals in a very short period of time, which in the past, it would have taken a couple of days to gather the materials, I think creatively about what they can offer to the customers and so on. So we are very excited, and it's coming very soon for the sales team.

Amita Tomkoria: It looks like our next question comes from Laura Martin at Needham. And I think this is with respect to creators. What are some of BuzzFeed's competitive advantages, particularly as you think about platforms like YouTube and Snap?

Jonah Peretti: Yes. So when you look at creators, I think the creator economy is at a crossroads right now. I think that the old model of media companies where everyone's an employee started to fall apart and be replaced by the creator model.

And now the creator model is starting to be under pressure as creators feel disconnected don't have teams to work with, don't have resources. There's lots of challenges with burnout and things like that. And so the real exciting opportunity for us is this alliance between creators and a media company where you get the benefit of a brand like, say, Tasty and our distribution and our knowledge of formats and our knowledge of content plus the freedom, flexibility and access to talent globally of creator model.

And so Tasty has really led the way on this for us. And when we look at a creator who makes content for Tasty, the video that they would create distributed across the Tasty network, we have 2x views. We see that creators get up to a 50% boost on followers when they partner with us. And so it's really benefiting the creator, but it also is giving us differentiated content that is more popular with audiences and has that authenticity that you get from creator content.

And so I think you're going to see a lot in the next couple of years of creators plus media companies forming alliances to build a new model that solves some of the problems with the creator model and adds more dynamism and flexibility and authenticity to the traditional media company model. And that's something that we feel well positioned to build as we continue to expand our creator programs.

Amita Tomkoria: Great. Our next question comes from Jason Kreyer at Craig-Hallum on the topic of Studios. You've expanded BuzzFeed studios to quite a few different formats recently, what channels have shown the most promise for you to play a bigger role?

Jonah Peretti: So our studios model is pretty different. And I think unique and special. We have done a bunch of feature films, which I think some folks will think of us as we do digital media, the feature film business seems pretty different. But we've built a model that really fits with our approach. So we use digital production model. So the cost of the films is lower. So we're making single-digit million films like single-digit million budgets. We're using our network of content to figure out who to cast in the films and what topics might be interesting because BuzzFeed has this pulse of what young consumers are interested in.

And then we can use that same network to market the films. And so that helps us get a lot more efficiency in the marketing. And so we've partnered with all the biggest streamers and platforms. We have a great partnership with Lionsgate for future films. We work

with Netflix. We work with you name it in terms of the streamers. We've done movies like One Up, My Fake Boyfriend, Fall, Book of Love.

And the approach is very efficient, lower cost to produce it, high quality because of the skills we've learned in terms of digital production models, very relevant because of all the data we have about what consumers are interested in and then marketable across our network. And we're able to operate this profitably and do it in a way that's very derisked because when we go to a partner, we're bringing distribution, we're bringing data, we're bringing a lot of production knowledge to the table. And so that allows us to get very favorable terms in terms of negotiations with partners.

Amita Tomkoria: Great. And maybe Marcela or Jonah, can you address on the topic of studios- Just how should we think about that relative to your creator-first model, sort of how do you think about that as it relates to the Studios business?

Jonah Peretti: Yes. I would say that the casting of talent in the shows, it's mostly traditional actors or well-known directors. On some occasions, we'll have creators who have a role in the film, but we want to make the best film possible and the creator's skill is usually not acting. It's connecting and being relatable and connecting with audiences. However, our creator network can help promote and market the films. And so that is one way that we will help amplify a film and make sure that people go find the film and watch it.

Amita Tomkoria: Great. We've got Felicia, maybe a question for you in terms of the new KPIs, and this question comes from John Blackledge at Cowen. Can you provide just more color on the new KPIs that you shared and sort of when you expect to report them?

Felicia DellaFortuna^ Sure. So transparency has always been key for us. And as you know, we already report on time spent on a quarterly basis, and that's to be used in conjunction with our advertising revenue. So this new KPI that we just publicly disclosed in our latest Q is to really focus on content. And so the majority of our content is associated with branded content advertising and this metric is to measure that. So the new metric is net branded content advertising revenue retention as well as the number of customers and average deal size.

And it's really to show the strength of BuzzFeed, Inc. and bringing that to our advertisers. So it measures advertisers that spend typically at \$250,000 and above and over a trailing 12-month period. And what you'll see from the metric is that the average deal size tends to be at around \$1 million, which really shows the power of when an advertiser works with us, what they get in really building across the BuzzFeed, Inc. portfolio.

And we are excited as we do launch new initiatives across AI, creator and moments to really show the depth of our engagement through this metric on a go-forward perspective.

Marcela Martin: And we are planning to report them on a quarterly basis.

Amita Tomkoria: So maybe to move on to monetization, Marcela, we've seen a couple of questions come through in terms of short-form video and the platforms. Can you maybe just talk about the status of monetization across the platforms, especially with some of the new announcements that have come out?

Marcela Martin: Yes, sure. Well, I mean, we are very excited, as you may have heard this week or last week. TikTok has announced that their new product called Pulse Premier, that we are part of that, and it's their monetization of original content for publishers. And we have been selected as one of the partners.

So it's very early stages. We don't think that it is going to be very material in 2023, but we have already been monetizing in TikTok through branded content that we offer to advertisers. We are currently monetizing as well on YouTube shorts. And this is, again, early stages of these platforms, but we see a great deal of opportunity, particularly because we have performed really well. BuzzFeed, the short form passed 1 billion views, each on reels and shorts. So we are excited about the potential for the future.

Amita Tomkoria: Okay. Maybe just to stay on the topic of growth and monetization question from Brent Navon at Bank of America. You talked about the 3 growth drivers for the company. Can you maybe expand on each of these and help us think about sort of how to frame those, the magnitude and the potential of each of those?

Marcela Martin: Yes. I mean if you can see in the presentation, we have shown what could be our total addressable market, and we are in each of those markets, which give us a significant opportunity to tap into any of them. And I think that the combination that we have with the massive audiences.

And we are very proud to always say that the U.S. in Gen Zs and Millennials, they watch our content at a much larger scale than any of the other pure-play digital media companies. And that, combined with a large creator network, it gives us the opportunity to offer advertisers a great reach.

And if you add to that brand safety is also very important because lately, as you have seen, there has been a lot of toxicity in the content that is being offered, which is not in the case of BuzzFeed. So we have a history of having built amazing brands with significant reach.

And that combination is, I think, what would allow us to continue to grow audiences in the future. And internationally, I mean, we expect that we will also continue to grow through strategic partnerships. And as John has talked earlier about studios, there is a great deal of ancillary revenue streams that we can deliver.

We talk about the studio model, but we also deliver on licensing on Hot Ones that many of you can see some of the hot sauces behind you now that we have a partner with, for example, with Walmart on bites and you can buy Hot Ones wings in the stores with Tasty on home cookware.

So we also have, and I don't want to forget to mention a ComplexCon because ComplexCon is a significant event that we hold every year and that it brings together thousands of funds for a curated event where they can enjoy inspiration, music, sneakers, arts and these are people that are really willing to spend money with these brands. And we have actually decided that we want to expand that particular product.

And so we recently hired an additional team member that will help us expand on experiential because particularly after the pandemic, advertisers are a lot more interested in real-life events. So I think that the combination of all of these growth drivers would allow us to continue to grow in the future. And that, combined with profitability and the operating leverage we can deliver for our shareholders. I think that we are very well positioned for our growth.

Jonah Peretti: Yes. I think the key for us is that we have this foundation of these amazing brands that are iconic brands that everyone knows, BuzzFeed and Tasty and HuffPost and Complex. And then the scale of those brands and the amount of people they reach is really significant, particularly young people.

So Gen Z and Millennials, we reach more than Vox and Vice and Bustle combined. We reach just a tremendous share of young audiences. And we reach them with brands that have a real voice and a real point of view. So it's not just sort of empty scale, like a big platform that's sort of about anything and everything.

It's brands that have real voices and really real connections. And so with those brands and with that scale, as Marcela was saying, there's just so much you can build on top of that, whether that's our commerce business or the ComplexCon of event, of building on the strength of the Complex brand or Tasty cookware and licensed products or big partnerships with advertisers that want to reach these audiences at scale with a voice and a point of view.

So all of that monetization opportunity really comes from the amazing work that our editorial teams do and our network of creators and our brands to reach just this significantly larger audience than others in the space that, and I think there's a lot more potential to monetize that. When you have brands and scale like that, there's just a lot of areas where you can find attractive businesses and grow our business.

Amita Tomkoria: So this is a good segue actually into the brand portfolio. A couple of questions on sort of how you view the strength of the combined portfolio. We heard a lot today from the different brand leaders and sort of the distinctiveness of each of the brands, but maybe you can speak more directly to how you view the strength of the portfolio combined.

Jonah Peretti: Yes. Our biggest advertisers are the biggest Fortune 500 companies and the biggest spenders. And most of them have multiple brands and billions of dollars in marketing spend. And they really want to work more deeply with a smaller number of

partners. And so if you look at each of our brands, on their own, they would be more niche and a marketer that would partner would have to go from each of the brands.

But now that we've integrated our business teams, we have a unified sales channel, and we have a real consultative sales force that can meet with a brand or a marketer and then help them reach, for example, men on Complex and women on BuzzFeed or people who are interested in sneakers and fashion and culture with Complex, but utility and food with Tasty.

And then a whole host of products, everything from experiential to advertising to commerce integrations to content, launching shows and projects and branded content. So there's just so many things that we're able to do now that we have integrated our business team, and we have editorial independence and strong point of view with each brand and differentiate the audiences of each brand, but then a business team that is able to help these Fortune 500 companies navigate across them to get the most value and to reach the consumers they want to reach.

So I think there's a lot of benefits. And then, of course, there's the cost synergies of not having duplicated teams with all of these different brands. And there's a lot of subscale digital media companies that have to carry a lot more cost because they don't have the scale and reach that we got from bringing together these brands.

Marcela Martin: Yes, scale and reach and voice, right? Because I think that, that's one of the biggest difference that when we were talking about the platforms with YouTube and Snap is that they have a lot of scale, of course, but we have scale and voice through the powerful brands.

I just want to add because we talk about moments. And I think that this is also a good opportunity to talk about what moments are and our strategy behind moments. And what we define as a moment is as events that have elevated demand, but people want to reach in a way that is consistent and holistic across different brands.

An example of moment could be ComplexCon, right, or a cultural moment such as Mother's Day or, I don't know, Valentine's Day and so on. And one example that we can give, and I think that Andrew did it in the video, but I honestly don't remember, it's about Latine-heritage Month, where we are able to join the Latine creator network that we have together from Complex together with the audiences that we have from BuzzFeed.

And so it's very powerful when you can drive these cultural moments across all of the brands and have one package, one offering for advertisers and obviously, for consumers.

Jonah Peretti: Yes. That's like back-to-school or holiday shopping, but we can do that so many different ways for each of the different brands that reach really different audiences.

Amita Tomkoria^ Great. A couple coming in for Felicia actually. So it's really nice to see actually the sort of multiyear discussion around adjusted EBITDA and kind of what

you guys expect from a margin expansion perspective. Can you just elaborate on that a little bit, sort of how you see the company getting there and sort of what levers you have?

felic So as we noted this week, we have provided a full-year guide where we are anticipating ending the year in high teens millions. And despite the revenue compression that we've had as a result of a multitude of factors, macro, the ever-changing Internet landscape from longer form to short-form vertical video as well as supply chain, et cetera, we have been able to offset the majority of those revenue losses through adjusted EBITDA, which does give us the confidence as it relates to our full-year guidance and delivering on overall profitability.

And as it relates to the go-forward strategy of AI creators as well as moments and seeing how the revised operating structure looks as well as the typical advertising and consumer spending behaviors, we do anticipate providing a sequential improvement in our bottom line and having that continue as we look out in the future.

Amita Tomkoria: Great. And then just to continue down that path, this is sort of one of the first times for the company to speak to kind of the forward-looking outlook on cash. Can you just expound on that a little bit. I think you mentioned medium-term and maybe just define that for us a little bit and how you see the horizon.

Felicia DellaFortuna: Yes. Maintaining a strong cash position is really imperative, and that is in conjunction with achieving profitability. And so we define medium term as 2 to 5 years. And the reason for the longer outlook, specifically on cash is as we see these trends transform from an overall data perspective and a trend perspective, it may make sense for us to invest ahead of that, which is the reason for the longer-term outlook.

Amita Tomkoria: Thank you. And so maybe just to pivot a little bit to BuzzFeed, Jonah, I think you talked about sort of the broader focus of the company on entertainment. And can you maybe just walk us through the decision to close BuzzFeed News and sort of how you think about kind of the portfolio following that announcement?

Jonah Peretti: Yes. So BuzzFeed, our biggest brand has always or at least for the last 8 years, had entertainment and BuzzFeed News. BuzzFeed Entertainment has always been or has usually been 10x bigger than BuzzFeed News in terms of metrics like audience and revenue metrics. And so the majority of consumers really are coming to BuzzFeed for entertainment.

They want to have quizzes and lists and articles and know what's going on in pop culture and engage with entertainment and BuzzFeed News -- and we also saw an acceleration of this trend as some of the big platforms pulled away from the news. And I think you're going to see in the next couple of years, a continuation of that where people are going to want to consume news in a much more intentional way where they are actually choosing to visit and read news as opposed to having it just in their social feeds kind of mixed in with entertainment content.

And so we saw that trend, and we made a decision to focus on the BuzzFeed brand around entertainment, which is where the BuzzFeed brand is strongest and how most people consume the BuzzFeed content is around entertainment and Internet content or Internet culture content and then focus our news efforts on HuffPost, which has a very strong front page audience and people are going there intentionally to consume news and find out what's going on in the world, and we were able to have some BuzzFeed News employees move to HuffPost and some to BuzzFeed and really just focus on our strengths.

And so our strength, obviously, Tasty is food, BuzzFeed is Entertainment. HuffPost is our news brand and Complex is culture, music, fashion, sports. So we've been able to really focus our brands on what they do best, and that is really the story behind shutting down BuzzFeed news and focusing our news efforts on HuffPost and our entertainment efforts on BuzzFeed to have a lot more brand clarity and focus for our teams to be able to execute over the next few years.

Marcela Martin: Yes. And just to add to that, from a revenue perspective, the impact has been really immaterial. And for the most part, that revenue has been absorbed by the other brands.

Amita Tomkoria: Great. We're coming up on the top of the hour here. So maybe to wrap up, can I just ask you sort of what are you most excited about? We heard a lot from the company today, a lot of exciting stuff in the pipeline. So maybe, Jonah, from you, kind of what gives you the most excitement as you look out into the future?

Jonah Peretti: Yes. So I'm very excited by the strength of each of our brands and the increased focus of each of our brands that BuzzFeed can really focus on entertainment and particularly as entertainment starts to be transformed by generative AI and creators that the BuzzFeed brand and our audience, we can really push the envelope there and define that space for the industry.

And that HuffPost, which has that big front page, the audience can really be an intentional space for news consumption and then we've expanded with Complex creators and adding creators to that brand. And so that also is very exciting to me. And so having more clarity for our brands, having more focus and then pushing the frontiers more on creators and especially generative AI feels like it is attacking this new area of the Internet, going after this new thing, and that's what we've always done.

So it makes me feel the way I felt when social was new and you started to see the social platforms rising like we could build media on top of this, and we could build new formats on top of this, this could be something big. I feel that same energy with AI as a new platform, and I'm very excited about how we're positioned to build and add to the brands that we have and the audience that we have to push and define the industry again in that new area.

Amita Tomkoria: Great. Thank you so much. That's a wonderful note to end on. Thank you all for joining us today. And we'll see you in the coming weeks.